

March 28, 2003

CERTIFIED MAIL
7099 3400 0016 8895 6221

Dennis C. Law
1950 East Forest Creek Lane
Salt Lake City, Utah 84121

Re: Citizen Complaint of Well Water Loss on Personal Property in Little Snyder Canyon-
Clear Creek Area, Canyon Fuel Company, LLC, Skyline Mine, C/007/005, Outgoing File

Dear Mr. Law:

This letter is to acknowledge receipt of your letter dated March 11, 2003 and to respond to your concerns. From your letter, and subsequent phone discussions with Mike Suflita, our Hydrologist, we understand that you are concerned that your well has been adversely affected by coal mining at Skyline Mine. From your description, the well is located in the SE ¼ NW ¼ of Section 4, T14S, R7E, SLB&M, within the U.S. Forest Service boundary. This is in Little Snyder Canyon southeast of Clear Creek, Utah. Based on our search of the Utah Water Rights database, we believe this is Exchange E3321, water right No. 91-4968, Price River Water Users Association Certificate C6331.

As you probably know, on September 17, 2001 Skyline Mine encountered significant water inflows to the mine. The waters have been, and are currently being, pumped into Eccles Creek. Numerous stakeholders are involved in extensive investigations of that flooding situation. Stakeholders include Skyline Mine & their consultants; PacifiCorp & their consultants; Huntington-Cleveland Irrigation Company; Emery County Water Users Association; and our agency, the Utah Division of Oil, Gas, & Mining. As would be expected, underground hydrology is a complex issue and there is not total agreement on all aspects of the situation. Therefore, investigations by all parties are continuing. Still, at this point the following elements have been determined:

- There are two distinct and separate types of aquifers in the area. One is termed a perched and discontinuous aquifer, which results in rainfall and snowmelt flowing into the ground and coming out as springs on the sides of the canyons. This can be readily seen on the east side of Huntington Canyon and along the east side of Electric Lake. The second aquifer type is located deep within the earth, typically thousands of feet below the canyon bottom. The two aquifer types are not in connection with each other except through fault systems, which intersect both of them. These two aquifers are typical throughout the Wasatch Plateau area. Please refer to the enclosed cross-section.
- The source of the Skyline Mine inflow waters is the Star Point Sandstone formation located below the coal seams about 1,000 to 2,000 feet below the ground surface.
- Mine inflow waters are of ancient origin, about 4,600 years old, and show only trace amounts of modern water.
- Investigations have shown no discernable impacts from the mine flooding to springs in the areas directly above the mine or adjacent to the mine workings.

Our hydrologist assigned to Skyline Mine has investigated the situation with your well and believes there is virtually no likelihood that mining activities have impacted your well. This conclusion is based on the following:

- The distance from your well to the nearest mine flooding inflow location is about 4.25 miles. This is far beyond the expected distance that mine subsidence might influence surface wells. The mine permit area boundary limits the extent of mining and your well is located at least 3.5 miles outside the permit boundary. Also, monitoring of springs and wells above the mine and adjacent to the mine have shown no impact from mining activities. Details of this monitoring can be viewed at www.dogm.nr.state.ut.us/. This is our water database, which is used to evaluate mining impacts to the hydrogeologic environment.
- The Star Point Sandstone layer that is the source of mine inflow waters slopes upward to the east from Skyline Mine and comes to the surface on the west side of Mud Creek Canyon. Your well is located on the east side of Mud Creek Canyon. Thus, the mining formations would not be related to your well. Please refer to the cross-section drawing and geologic map that illustrate this situation.

For your information, the old Blazon Mine is located in the east half of Section 4, T14S, R7E, SLB&M, and thus is located near your property. This mine has not operated since 1985 and mined relatively little coal when it was operational. We believe it's unlikely this mine has impacted your well in the last few years. Please refer to the enclosed map. The Utah Geologic Survey has information relating to the geologic formations in which your well is drilled.

Page 3
Dennis C. Law
March 28, 2003

If needed, Division personnel can meet with you to discuss our investigations and further explain the conclusions and/or we can visit your well to better understand your concerns. At anytime, you may re-enter your complaint by providing evidence substantiating the reasons you feel your well is having problems as a result of mining activities. I can be contacted at (801) 538-5306.

Sincerely,

Mary Ann Wright
Associate Director, Mining

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Enclosures: Hydrogeologic Cross-Section and Fig 3a, Skyline Mine Mining and Geology Map

cc: Jim Fulton, OSM-WRCC
Jerry D. Olds, State Engineer
Chris Hansen, Skyline Mine
Price Field Office
Mark Shurtleff, Attorney General
Michael O. Leavitt, Governor
Robert L. Morgan, Director Natural Resources

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